

AUG 16
2018

**SAN ANTONIO HOUSING
FACILITY CORPORATION
MEETING**



SAHA | SAN ANTONIO
HOUSING AUTHORITY
Opportunity Lives Here



BOARD OF DIRECTORS

Chairman Morris A. Stribling, DPM	Vice-Chairman Charles R. Muñoz	Director Thomas F. Adkisson	Director Francesca Caballero	Director Charles Clack	Director Marie R. McClure	Director Jessica Weaver
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**San Antonio Housing Facility Corporation
Board Meeting
818 S. Flores St., San Antonio, TX, 78204
2:00 p.m., Thursday, August 16, 2018**

1. Meeting called to order

The Board of Directors may hold a closed meeting pursuant to Texas Government Code § 551.071-076 for consultation concerning attorney-client matters, real estate, litigation, personnel, and security matters. The Board reserves the right to enter into closed meeting at any time during the course of the meeting.

2. Minutes

- Approval of the August 2, 2018, San Antonio Housing Facility Corporation Meeting minutes

3. Consideration and approval regarding Resolution 18FAC-08-16, approving the issuance of San Antonio Housing Facility Corporation's Promissory Note to Frost Bank in an amount not to exceed \$7,000,000.00 to refinance Burning Tree Apartments and Encanta Villa Apartments. Loan proceeds will be used to finance capital repairs and improvements at these properties and other assets in the Beacon portfolio; authorizing execution of all documentation necessary to carry out the transaction; and other matters in connection therewith (Thomas Roth, Director of Asset Management)

4. Adjournment

* Note: Whenever the Texas Open Meetings Act (Section 551.001 et seq. of the Texas Government Code) provides for a closed meeting in matters concerning legal advice, real estate, contracts, personnel matters, or security issues, the Board may find a closed meeting to be necessary. For convenience of the citizens interested in an item preceded by an asterisk, notice is given that a closed meeting is contemplated. However, the Board reserves the right to go into a closed meeting on any other item, whether it has an asterisk, when the Board determines there is a need and a closed meeting is permitted.

"Pursuant to § 30.06, Penal Code, (trespass by holder license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to § 30.07, Penal Code, (trespass by holder license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

MINUTES
SAN ANTONIO HOUSING FACILITY CORPORATION
August 2, 2018

SCHEDULED: 2:00 p.m. at San Antonio Housing Authority, 818 S. Flores St., San Antonio, TX, 78204

DIRECTORS PRESENT:

Charles R. Munoz, Vice-Chair
Thomas F. Adkisson, Director
Francesca Caballero, Director
Charles Clack, Director
Marie R. McClure, Director
Jessica Weaver, Director

DIRECTORS ABSENT:

Morris A. Stribling, DPM, Chair

BOARD LEGAL COUNSEL:

Doug Poneck, Escamilla & Poneck, LLP

STAFF:

David Nisivoccia, President and CEO
Muriel Rhoder, Chief Administrative Officer
Ed Hinojosa, Chief Financial Officer
Lorraine Robles, Director of Development
Services and Neighborhood Revitalization
Diana Kollodziej Fiedler, Director of
Finance and Accounting
Thomas Roth, Director of Asset
Management
Brandee Perez, Director of Federal
Housing Programs

Steven Morando, Director of Procurement and
General Services
Domingo Ibarra, Director of Security
Hector Martinez, Director of Construction
Services and Sustainability
Jo Ana Alvarado, Director of Innovative
Technology
Kristi Baird, Director of Beacon Communities
Adrian Lopez, Director of Community
Development Initiatives
Janie Rodriguez, Director of Human Resources

Item 1: Meeting called to order
Vice-Chair Munoz, called the meeting to order at 1:39 p.m.

Item 2: Minutes

- Approval of the July 19, 2018, San Antonio Housing Facility Corporation Meeting minutes

Motion: Director Clack moved to approve the minutes. Director Adkisson seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote
Charles R. Munoz, Vice-Chair	X		
Thomas F. Adkisson, Director	X		
Francesca Caballero, Director	X		
Charles Clack, Director	X		
Marie R. McClure, Director	X		
Jessica Weaver, Director	X		

Item 3: **Resolution 18FAC-07-19, concerning the application of the Las Varas Public Facility Corporation, San Antonio Housing Facility Corporation or an affiliated limited partnership relating to the proposed financing and/or issuing of up to \$50,000,000 of tax exempt bonds to pay for the costs of the acquisition, construction, and equipping of the St. John’s Square, to be located on the Southeast Corner of East Nueva St. and St. Mary’s Street; and other matters in connection therewith**

Resolution 18FAC-07-19, corresponds with San Antonio Housing Authority Resolution 5828 and with Las Varas Public Facility Corporation Resolution 18LVVFC-07-19.

Motion: Director Clack moved to approve Resolution 18FAC-07-19. Director Caballero seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote
Charles R. Munoz, Vice-Chair	X		
Thomas F. Adkisson, Director	X		
Francesca Caballero, Director	X		
Charles Clack, Director	X		
Marie R. McClure, Director	X		
Jessica Weaver, Director	X		

Item 4: **Resolution 18FAC-07-20, authorizing the Wheatley Family Phase III (East Meadows II) transaction including: (i) execution of all documentation necessary to carry out the transaction; (ii) a loan to Wheatley Family II, L.P. from JP Morgan Chase Bank, N.A.; (iii) a loan to Wheatley Family II, L.P., of Choice Neighborhood Initiatives Grant Funds; (iv) the lease of the land to Wheatley Family II, L.P.; (v) the borrowing of City of San Antonio Home Funds by Wheatley Family II, L.P.; (vi) authorizing San Antonio Housing Facility Corporation to serve as the prime contractor; (vii) authorizing SAHA East Meadows II, L.L.C. to enter into the Amended and Restated Agreement of Limited Partnership for Wheatley Family II, L.P.; and (viii) obtaining Texas Department of Housing and Community Affairs Tax Credits for the Project; and other matters in connection therewith**

Resolution 18FAC-07-20, corresponds with San Antonio Housing Authority Resolution 5830.

Motion: Director Adkisson moved to approve Resolution 18FAC-07-20. Director Clack seconded the motion. Approved.

Member	Aye	Nay	Absent At Time of Vote
Charles R. Munoz, Vice-Chair	X		
Thomas F. Adkisson, Director	X		
Francesca Caballero, Director	X		
Charles Clack, Director	X		
Marie R. McClure, Director	X		
Jessica Weaver, Director	X		

Item 4: Adjourment.
With no objections, Vice-Chair Munoz adjourned at 1:41 p.m.

ATTEST:

Morris A. Stribling, DPM
Chair, Board of Directors

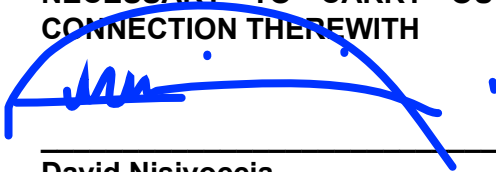
Date

David Nisivoccia
Secretary/Treasurer

Date

BOARD OF DIRECTORS
San Antonio Housing Facility Corporation

RESOLUTION 18FAC-08-16, APPROVING THE ISSUANCE OF SAN ANTONIO HOUSING FACILITY CORPORATION'S PROMISSORY NOTE TO FROST BANK IN AN AMOUNT NOT TO EXCEED \$7,000,000.00 TO REFINANCE BURNING TREE APARTMENTS AND ENCANTA VILLA APARTMENTS. LOAN PROCEEDS WILL BE USED TO FINANCE CAPITAL REPAIRS AND IMPROVEMENTS AT THESE PROPERTIES AND OTHER ASSETS IN THE BEACON PORTFOLIO; AUTHORIZING EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH



David Nisivoccia
President and CEO



Ed Hinojosa
Chief Financial Officer

REQUESTED ACTION:

Consideration and appropriate action regarding Resolution 18FAC-08-16, approving the issuance of San Antonio Housing Facility Corporation's Promissory Note to Frost Bank in an amount not to exceed \$7,000,000.00 to refinance Burning Tree Apartments and Encanta Villa Apartments. Loan proceeds will be used to finance capital repairs and improvements at these properties and other assets in the Beacon portfolio; authorizing execution of all documentation necessary to carry out the transaction; and other matters in connection therewith.

Burning Tree Apartments is a 108 unit, multi-family asset built in 1983, and located at 14438 Jones Maltsberger Road. Encanta Villa Apartments is a 56 unit multi-family property located at 5300 Encanta Way. The properties are part of the Beacon Communities portfolio and owned by the San Antonio Housing Facility Corporation (SAHFC).

The San Antonio Housing Authority (SAHA) has received a Letter of Intent from Frost Bank to provide a loan amount equal to the lesser of \$6,800,000.00 or 75% of the appraised value of both properties. The financing can be structured at either a fixed rate or a variable interest rate with an option to fix the rate with an interest rate contract. Current indicative rates are 4.92% for a fixed rate loan and 4.20% with the floating-to-fixed interest rate contract. The actual rate will be set at closing for a term of ten years with a twenty-five year amortization rate. Both properties will serve as collateral for the loan. The loans are being underwritten as bank qualified tax exempt debt. SAHA staff also evaluated financing options through FHA and Freddie Mac; however, the interest rates were approximately twenty to forty-two basis points higher than those offered under the Frost Bank proposal.

FINANCIAL IMPACT:

The proposed refinance will increase the mortgage debt on the property; however, significant capital reinvestment is needed to preserve this asset and extend its useful life expectancy. The proposed loan terms require a conservative loan to value of 75% and a debt service coverage ratio of 1.20.

SUMMARY:

The five-year plan for the Beacon Communities Portfolio identified these assets as candidates for refinancing and reinvestment in capital repairs/replacements to extend their useful life. Staff has commissioned an engineer to complete a site and building envelope assessment to quantify the cost and to prioritize the scheduling of repairs. Assuming a loan amount of \$7,000,000.00, net refinancing proceeds are estimated at \$6,580,000.00 after payment of transaction related costs.

The exact scope of capital repairs/replacements is under review. However, much-needed capital repairs include roof replacement, siding and soffit/trim repairs, HVAC replacement, sidewalks and parking lot repairs, stair and railing repairs, landscaping/drainage enhancement, fencing repairs, and upgrades to site lighting.

STRATEGIC GOAL:

Preserve and improve existing affordable housing resources and opportunities.

ATTACHMENT:

Resolution 18-FAC-08-16

Maps

CERTIFICATE FOR RESOLUTION

The undersigned officer of the San Antonio Housing Facility Corporation (Corporation), a Texas public facility corporation created pursuant to the laws of the State of Texas, hereby certifies as follows:

1. In accordance with Chapter 551, Texas Government Code, as amended (Open Meetings Act), and the bylaws of the Corporation, the Board of Directors of the Corporation (Board) held a meeting on September 6, 2018, (Meeting) of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

RESOLUTION 18FAC-08-16, APPROVING THE ISSUANCE OF SAN ANTONIO HOUSING FACILITY CORPORATION'S PROMISSORY NOTE TO FROST BANK IN AN AMOUNT NOT TO EXCEED \$7,000,000.00 TO REFINANCE BURNING TREE APARTMENTS AND ENCANTA VILLA APARTMENTS. LOAN PROCEEDS WILL BE USED TO FINANCE CAPITAL REPAIRS AND IMPROVEMENTS AT THESE PROPERTIES AND OTHER ASSETS IN THE BEACON PORTFOLIO; AUTHORIZING EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

the Resolution was duly introduced for the consideration of the Board of Directors and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Articles of Incorporation and the Bylaws of the Issuer.

SIGNED AND SEALED September 6, 2018.



David Nisivoccia
Secretary/Treasurer

**San Antonio Housing Facility Corporation
Resolution 18FAC-08-16**

RESOLUTION 18FAC-08-16, APPROVING THE ISSUANCE OF SAN ANTONIO HOUSING FACILITY CORPORATION'S PROMISSORY NOTE TO FROST BANK IN AN AMOUNT NOT TO EXCEED \$7,000,000.00 TO REFINANCE BURNING TREE APARTMENTS AND ENCANTA VILLA APARTMENTS TO FINANCE CAPITAL REPAIRS AND IMPROVEMENTS AT THESE PROPERTIES AND OTHER ASSETS IN THE BEACON PORTFOLIO; AUTHORIZING EXECUTION OF ALL DOCUMENTATION NECESSARY TO CARRY OUT THE TRANSACTION; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of San Antonio, Texas (SAHA), has, pursuant to the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (Act), approved and created the San Antonio Housing Facility Corporation, a nonstock, nonprofit public facility corporation (Issuer);

WHEREAS, the Issuer approved on September 6, 2018, a tax-exempt loan from Frost Bank (Frost) to finance the rehabilitation and improvement of a 108-unit multifamily housing facility located at 14438 Jones Maltsberger Road, San Antonio, Texas, known as Burning Tree Apartments and a 56 unit multifamily housing facility located at 5300 Encanta Way, San Antonio, Texas, known as Encanta Villa Apartments (Project);

WHEREAS, the tax-exempt loan will be made pursuant to a Loan Agreement between the Issuer and Frost dated on or about October 1, 2018, and a Promissory Note (Promissory Note) in the original principal amount not to exceed \$7,000,000.00 payable to Frost, which will be secured by a Deed of Trust, Security Agreement – Financing Statement, and various closing documents such as a Replacement Reserve and Security Agreement, Arbitration and Notice of Final Agreement and a Private Placement Letter (Loan Documents);

WHEREAS, the Promissory Note will be issued in a variable rate format and sold to Frost upon the terms and conditions outlined in the term sheet submitted by Frost;

WHEREAS, it is anticipated that the Promissory Note will be swapped to a fixed rate pursuant to an ISDA Master Agreement and other associated documents entered into with Frost (Swap Documents);

WHEREAS, Frost is requiring the Board to specifically approve the Loan Documents and the Swap Documents and requiring the Board to hire a financial advisor regarding the Swap;

WHEREAS, the Board has chosen Hilltop Securities as its financial advisor for the Swap based upon its prior relationship with Hilltop;

WHEREAS, the Issuer is authorized to issue the Promissory Note in accordance with the Act;

WHEREAS, the Board of Directors of the Issuer (Board) hereby authorizes the issuance of the Promissory Note in an amount not to exceed \$7,000,000.00 for the purpose of providing funds for the Project, and paying the costs of issuing the Promissory Note, all pursuant to and in accordance with the terms and conditions provided under the Loan Documents;

WHEREAS, the Promissory Note is a special, limited obligation of the Issuer and the obligations of the Issuer shall never constitute an indebtedness, an obligation, or a loan of credit of the State of Texas, SAHA, the County of Bexar, Texas, the City of San Antonio, Texas, or any other political subdivision of the State of Texas, with the meaning of any constitutional provisions or statutory limitations;

WHEREAS, the Issuer is authorized to issue the Promissory Note pursuant to the Act;

WHEREAS, this Board of Directors has reviewed the foregoing and determined that the action herein authorized is in furtherance of the corporate purposes of the Issuer and that the terms and conditions of the Promissory Note and the above-described instruments, including without limitation the dates, interest rates, maturities, redemption terms and sales price of the Promissory Note and the manner of disbursing the proceeds thereof are advisable; and

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the San Antonio Housing Facility Corporation hereby:

- 1) The terms of the Loan Documents and Swap Documents are hereby approved.
- 2) The issuance of the Promissory Note, the Swap Documents, the Loan Documents and the Guaranty are hereby authorized and approved, and the President, any Vice President, the Secretary/Treasurer, any Assistant Secretary/Treasurer or any of them, of the Issuer, are hereby authorized and directed to execute (to the extent required to be executed or acknowledged by the Issuer) and deliver (or to accept, as the case may be), the Swap Documents, Loan Documents, the Guaranty, and any and all certificates (including tax certificates) and other instruments described therein upon the conditions therein described or necessary or desirable in connection with the issuance of the Promissory Note, all upon the terms herein approved, and the executing officer is authorized to negotiate and approve such changes in the terms of each such instrument as such officer shall deem necessary or appropriate upon the advice of counsel to the Issuer, and approval of the terms of each such instrument by such officer and this Board shall be conclusively evidenced by the execution and delivery of such documents. THE Corporation is authorized to hire Hilltop Securities as its financial advisor regarding the Swap.
- 3) The Promissory Note in the principal amount not to exceed \$7,000,000.00 in substantially the form and substance set forth in the Loan Documents, is hereby approved, and the President, the Vice President, the Secretary/Treasurer and each Assistant Secretary/Treasurer, or any of them, are hereby authorized and directed, for and on behalf of the Issuer, to execute the Promissory Note or have their facsimile signatures placed upon it, and the signatures of such officers are hereby authorized and directed to be affixed or placed in facsimile on the Promissory Note.
- 4) All action not inconsistent with provisions of this Resolution heretofore taken by this Board of Directors and the officers of the Issuer directed toward the financing of the Project and the issuance of the Promissory Note shall be and the same hereby is ratified, approved and confirmed. The Board of Directors, or any of them, are authorized to take any and all action necessary to carry out and consummate the transactions

described in or contemplated by the instruments approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof.

- 5) After the Promissory Note is issued, this Resolution shall be and remain irrevocable until the Promissory Note or interest thereon shall have been fully paid or provisions for payment shall have been made pursuant to the Indenture.
- 6) If any section, paragraph, clause, or provisions of this Resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.
- 7) The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board of Directors.
- 8) All resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.
- 9) This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.
- 10) This Resolution shall be in force and effect from and after its passage.

Passed and approved the 6th day of September 2018.

Morris A. Stribling, DPM
Chair, Board of Directors

Attested and approved as to form:

David Nisivoccia
Secretary/Treasurer

Burning Tree Apartments Map



Encanta Villa Map

